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ABSTRACT

In vocational education and training (VET), user choice is a means of achieving a more client-responsive training system by allowing clients to have greater choice over how their training needs are met. Funding arrangements linked in some direct way to the expressed demands of individual clients are essential for effective operation of a user choice arrangement. Australia's Statement of User Choice Policy adds three essential elements to meet the user choice objective: significantly greater market power for individual clients to negotiate their training needs; increased responsiveness on the supply side of the training market; and compatibility of user choice outcomes with public expenditure constraints and the efficient use of resources. The Australian National Training Authority Board report has set out the general steps for employers, apprentices, and trainees to participate in user choice, and identified three components: a training package, training program, and training agreement. Findings from evaluation of 54 user choice pilot projects indicate the following: training outcomes were much richer than anticipated; many employers stressed the importance of selecting the right trainees and apprentices; employers felt negotiation of specific aspects of training could usually be undertaken satisfactorily, provided the enterprise-training provider relationship was good; employers felt training companies met a demand in a way that better met their needs than other alternatives; and user choice had the potential to improve access and equity. (YLB)

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User choice

JOY SELBY SMITH

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Introduction

From the beginning of 1998 changes have been made in the way apprentices and trainees are trained and employed across Australia. The New Apprenticeships arrangements will include new recognition arrangements (the Australian Recognition Framework), training packages, and a common regulatory approach for apprenticeships and traineeships which integrate regulations more closely with the training arrangements.

The New Apprenticeships arrangements will also allow employers and apprentices and trainees to have more choice about which organisations will provide their training, and where, when and how the training will be delivered. That is, New Apprenticeships will incorporate user choice.

This paper is about user choice.

Comprehensive information on the policy frameworks and current developments for New Apprenticeships is available through the internet on:

http://www.anta.gov.au/pubs/

Alternatively, for details on apprenticeships and traineeships in your area, phone your State or Territory training authority.

What is user choice?

Objective of user choice

The objective of user choice is to increase the responsiveness of the vocational education and training system to the needs of clients through the encouragement of a direct and market relationship between individual providers and clients.

Report to Ministerial Council on the Implementation of User Choice (ANTA 1997)

In vocational education and training (VET), user choice is a means of achieving a more client responsive training system by allowing individual clients to have greater choice over how their training needs are met. The flow of public VET funds to individual training providers will reflect the choices made by the client.

Currently, user choice is limited to New Apprenticeships, but user choice could apply broadly across the training system.

Under the New Apprenticeships arrangements, the client is the employer and the apprentice or trainee acting jointly, or a 'broker' acting on their behalf. User choice could be extended to Aboriginal and Torres Strait Islander (ATSI) communities and other groups with special needs.

Where did user choice come from?

Market-based or choice approaches to funding

User choice is a type of market-based or choice approach to funding the provision of 'community' services. Community services may be described as those which the public thinks government provision is basic to meeting social objectives.

Market-based or choice approaches have been trialled and implemented in a number of countries. Commonly, they have been applied in the health and education sectors. In these areas there are large numbers of consumers, often widely dispersed and with a variety of needs. Expenditure in budgetary terms is also large.

There are two main reasons why these types of funding arrangements have gained support internationally.

Firstly, people have high and rising expectations of community services and, increasingly, they want customised services. No longer does 'one size fit all'.

Secondly, governments are concerned about the present and future states of their budgets. The pressure is for 'value for money'.

In Australia, user choice is already in operation in a major way, in the health system. Most Australians choose their own medical practitioner and the flow of public funds to individual providers through Medicare reflects these choices. The user pays the medical practitioner and is reimbursed up to a prescribed limit by Medicare. If the user wants to change medical practitioner then the flow of funds reflects that revised choice.

Introducing choice approaches in VET

In VET, moves to introduce a market-based or choice approach grew out of concerns about the progress of reforms to the training system—the national training reform agenda. Whilst there was broad support for the training reform agenda, by 1993 business in particular was concerned about its complexity. The Australian National Training Authority (ANTA) Ministerial Council (MINCO)[1] asked the ANTA Board to examine these concerns. The Allen Consultancy Group (ACG) was engaged to investigate.

An important element of the reforms has been the development of the training market. During the early 1990s, actions in this area had been focussed on the supply side to make the market more contestable and less monopolistic.

These moves included, in some States and Territories, giving greater management responsibility and accountability to individual TAFE institutions thereby encouraging greater competition among public providers. Another measure was to allow private and industry providers to deliver accredited training (a move that economists describe as the removal of 'barriers to the market entry').

Some demand-side measures were also introduced. The development of industry training advisory bodies (ITABs and ITBs), through which business and unions could voice their collective needs was one such measure. Training authorities, acting as purchasers of training, and opening up a (very small) proportion of their publicly funded VET budgets to competitive tendering was another.

However, ACG found that little had been done to develop relationships between individual providers and enterprises at the local level, and to encourage individual providers to be more flexible and responsive to the needs of these clients.

ACG, in their report *Structural reform*, advised ANTA to move towards a market-based or choice system. They labelled their proposal 'user buys'.

User buys and user choice

ANTA accepted ACG's proposal, in broad terms, but put forward a variation of the user buys concept and named it 'user choice'.

ANTA argued that, rather than VET funds being paid directly to employers as proposed under user buys, the funds should be passed from the relevant training authority to the individual provider upon notification of the employer's choice.

At its September 1994 meeting, MINCO accepted the user choice concept in principle and agreed to trial user choice. A series of pilot projects, where firms would choose the provider of the off-the-job training for their apprentices and trainees, would be undertaken in all States and Territories and across industry sectors. ATSI communities were also included in the trial. These pilots were undertaken in 1996.

Incorporating user choice in New Apprenticeships

ANTA's intention originally was to extend the user choice pilot project in 1997 pending the report of the evaluation of the pilots. However, this process was pre-empted by the election of the Howard government in March 1996.

In the lead-up to the election the new government had announced that it would link training more closely with employment. These links would be developed in part by focussing on the development of 'direct relationships' between enterprises and individuals on the one hand and training providers on the other. Significant changes in apprenticeship and traineeship arrangements were foreshadowed.

After the election in May 1996, MINCO ministers endorsed a set of objectives and principles to underpin the proposed 'Modern Australian Apprenticeship and Training System (MAATS)'. MAATS would incorporate user choice approaches already under way.

A detailed work program followed, undertaken by two main groups:

- An industry reference group, chaired by Stella Axarlis, an ANTA Board member, and including representatives from business, the Australian Council of Trade Unions (ACTU), public and private VET providers and State training authorities, carried forward the work on MAATS.
- A user choice taskforce made up of State and Territory officials, and then the ANTA CEOs group, progressed the work on user choice.

The work was referred to MINCO at various stages.

The work on MAATS (now known as New Apprenticeships) and user choice was brought together in *The report of the ANTA Board on the implementation of New Apprenticeships (including user choice)* considered by MINCO in May 1997. The report included the Statement of User Choice Policy.

MINCO's resolutions on New Apprenticeships and user choice are given in ANTA's publication of that report. The resolutions adopted provide a policy framework (the National Training Framework) for the New Apprenticeships arrangements including user choice.

Within this framework, States and Territories would set about introducing New Apprenticeships including making the appropriate legal and regulatory changes to facilitate its introduction in January 1998.

The ministers' resolutions 'noted that NSW reserved its position on user choice'.

The ANTA Board report is available from the ANTA office in Brisbane.

User choice at the policy level

A look at the May 1997 ANTA Board report and other papers on the development of user choice policy shows that user choice encompasses a number of issues which might seem at first sight rather removed from the main game, that is, of allowing enterprises and individuals to have more choice about how their training needs are met.

There are two main reasons why user choice policy issues seem relatively complex. First, beyond the immediate concerns of individual providers and clients at the local level, user choice is a further step in the development of an open and competitive training market.

The introduction of user choice has focussed attention again on the need to maintain the momentum for reform on the supply side as well as the demand side of the training market. Indeed, it has highlighted the importance of certain issues which perhaps did not receive much attention earlier.

The second reason why user choice issues might seem complex stems from the fact that more training decisions are to be negotiated locally. This should mean relatively fewer decisions are determined centrally.

There would also be a shift in the types of decisions made centrally. Relatively more decisions will be about making the market work better—getting the structures and legal and regulatory arrangements 'right', that is, aligned to policy objectives. This is a very different type of activity from that associated with the detailed management of training providers.

Markets and market regulation

Markets for many, if not almost all, goods and services operate within legal and regulatory frameworks. For example, there are regulations about standards and quality (such as health regulations). There are laws to promote competition and limit monopoly (e.g. The Trade Practices Act). The challenge is to frame these laws and regulations for the wider economic and social good rather than to support the private interests of a few.

Changes in regulations—introducing new regulations, revising or scrapping existing regulations—always mean that some groups gain whilst other groups lose out. Those who stand to lose usually are the better organised and most vocal.

The Industry Reference Group saw as a key principle that regulation would only be used to the extent that it is necessary to underpin resource allocation and funding arrangements, to ensure quality training outcomes and to protect parties to training arrangements.

Defining user choice

The definition of user choice in the Statement of User Choice Policy referred to earlier provides some insight into the range of factors policy-makers have needed to consider in implementing user choice.

In the Statement, user choice is defined as 'the flow of public funds to individual training providers which reflects the choice of individual training provider made by the client'. Defining user choice in these 'public finance' terms highlights the power of particular funding arrangements to achieve outcomes. The level of funding and the way funds are allocated and administered sends signals to players about priorities and encourages particular responses.

For example, if a training authority says that it wants providers to be more responsive to clients' needs individually, but funds providers on the basis of a formula which is unrelated to clients' current needs, say historical patterns of usage reflecting out-of-date industry structures, then the signal or 'incentive' to be client focussed would not be strong. Rather, the provider could operate satisfactorily without regard to the stated objective.

Incentives

Incentives are the signals inherent in structures, funding arrangements, legal and regulatory arrangements and administrative details and the rewards systems (both monetary and non-monetary rewards) including the presence or absence of a simple 'thank you'.

Incentives:

- affect attitudes and behaviours
- may be intended or unintended but they will operate nevertheless
- will become more important as decisions are made locally and fewer are centralised
- must be aligned with what the VET system as a whole is seeking to achieve. Alignment is required at all levels of the VET system: co-ordinating and central agencies, at college, campus and department levels, and for individual trainees

In fact, to have funding arrangements linked in some direct way to the expressed demands of individual clients can be regarded as essential for the effective operation of a user choice arrangement.

The Statement of User Choice Policy adds three other 'essential elements' that need to be satisfied if the user choice objective is to be met.

Essential elements of user choice

The *first essential element* is that individual clients must have significantly greater market power to negotiate their training needs. Greater 'market power' means in this context increased ability to influence effectively the decisions and actions (of the training providers).

Under the proposed arrangements the ability to negotiate can include choice of provider as well as choice over specific aspects of training. It is interesting that when user choice was first mooted, 'choice' tended to be thought of rather narrowly and, interchangeably, with 'customisation'. However, the first stage of the evaluation of the 1996 user choice pilot project indicated that employers wanted, above all, choice of provider (customisation would come later). Extending the concept to include choice of provider means that user choice in action will more closely reflect enterprises' needs.

The *second essential element* that needs to be satisfied is increased responsiveness on the supply side of the training market, particularly enhance the capacity of individual providers to respond to the needs of clients. Put simply, in any market where providers have a degree of monopoly power there is less pressure on them to be responsive to customers' needs.

A number of the issues raised in the context of the implementation of user choice address this matter. They include continued structural reform and the issue of whether alternative

providers have a right of access to tax payer funded training facilities particularly outside the metropolitan areas or for specialised facilities and on what terms, can be also important in certain situations.

Structural reform

Structural reform in the public sector generally refers to actions to reduce the 'excessive' market power of a public monopoly to create a more responsive and efficient market for the services in question.

Structural reform has a number of elements but of particular relevance in the user choice context is the need to continue to restructure the delivery of potentially competitive activities (most training services) into a number of smaller, independent units. Essentially, this means the devolution of administrative and financial responsibility within the public VET system to individual TAFE institutions or even campuses.

This aspect of reform is important because user choice imposes an increased requirement that providers are able to respond promptly and flexibly with users in relation to the ongoing, collaboration arrangements for training which employers have stressed are so important to them. This requirement can be constrained when responses, coming from the central office, are more formalised and slower.

The *third essential element* is that user choice outcomes are compatible with public expenditure constraints and the efficient use of resources. This should be self-evident. Resources are not unlimited in any area of government; priorities soon become apparent from the way funds are distributed, even if they are not made explicit at the beginning. Some of the issues that resourcing has raised are:

- What are the resources available for VET from State and Commonwealth budgets? This can be contentious, particularly between levels of government.
- What priority will be given to funding New Apprenticeships compared to other VET services? MINCO ministers have taken different stands on this matter. The Commonwealth and Victorian ministers preferred the option that 'New Apprenticeships are a priority ahead of all other priorities to be accommodated within VET'. The remaining States and Territories prefer to see New Apprenticeships as a 'high priority to be accommodated within the VET sector'.
- The extent to which State and Territory training authorities can deliver the services that clients want, more efficiently. There is a perception that efficiency levels vary among the States and Territories. There are differences in perception between the Commonwealth, and the States and Territories about the extent to which more efficiencies could be achieved.

A discussion of the policy issues which user choice raised is published in a working paper of the Monash University–ACER Centre for the Economics of Education and Training: Joy Selby Smith, Chris Selby Smith and Fran Ferrier, *Key policy issues in the implementation of user choice*, working paper 8.

How will user choice work?

Implementation by State and Territory training authorities

The responsibility for the implementation of user choice rests with State and Territory training authorities. Implementation details are likely to differ among them.

Steps for employers, apprentices and trainees

The ANTA Board report has set out the *general steps* that individual employers and their prospective apprentices and trainees will need to step through to participate in the new arrangements. These steps are:

- The employer who wants to take on an apprentice or trainee will make contact with the relevant industry association, State or Territory training authority, group training company, entry-level training support services provider or an individual training provider. These bodies will be able to inform the employer on all aspects of what it means to employ a person as an apprentice or trainee.
- The relevant training package is then identified. The package will describe the appropriate apprenticeship or traineeship pathway.

Training package

A training package integrates competency standards, qualification outcomes and assessment guidelines developed and agreed by the relevant industry for national recognition.

These components will be endorsed by the National Training Framework Committee (NTFC) chaired by Mark Paterson of the Australian Chamber of Commerce and Industry, and including representatives from State and Territory training authorities, Department of Employment, Education, Training and Youth Affairs (DEETYA), and business and union representatives.

A training package may also include learning 'strategies' (which could be curriculum, a full training program, learner and trainer guides, or distance learning materials) and assessment and professional development materials.

These components will not be endorsed by the NTFC.

- Using the training package, the employer and employee will negotiate with a chosen training provider a training program appropriate for the business. The training program will include negotiated choice of units of competence and their sequencing within the package, and choice of delivery method, timing and location of training.

Training program

The training program describes the training experience that has been agreed between the employer and apprentice or trainee, and the training provider.

The training provider will be a registered training organisation.

Under user choice the employer and apprentice or trainee may negotiate with their chosen provider:

- the units of competence drawn from the training package and the sequencing of those units
- the timing of training
- the method of delivery
- the location of training

The training program will be signed by the client and provider to indicate that the employer and apprentice or trainee are aware of their rights under user choice and were able to negotiate a suitable program with the chosen provider.

The training program outline is attached to, and forms parts of, the training agreement.

- The training program is approved, in some cases by the quality endorsed provider itself. If the apprenticeship comes under an Australian Workplace Agreement, Certified Agreement or State/Territory equivalent, the local approving authority sets the mix of productive and non-productive time.
- An outline of the training program is attached to the training agreement, which is the formal contract defining the training relationship between the employer and the apprentice or trainee.

Training agreement

A training agreement or contract of training is the legally binding agreement that allows an employer and an apprentice or trainee to enter into an apprenticeship or traineeship. The training agreement must be registered with the relevant State Training Authority.

The training agreement will have a training program outline attached. The training program forms part of the training agreement.

- Public funds flow to the training provider chosen to deliver the training.
- The training is delivered.
- The eventual outcome is a nationally recognised qualification within the Australian Qualifications Framework.

Some questions answered

1 Have not employers, apprentices and trainees already had choice of provider and choice of training?

It is true that employers, apprentices and trainees have, in a number of circumstances, been able to exercise some choice over their training, particularly in relation to traineeships.

It is also fair to say that the climate of support for client choice and the opportunities to negotiate choices at the local level have varied among the States and Territories.

However, there are many cases in all sorts of circumstances, where employers have felt that individual providers and authorities at the centre have been unresponsive, inflexible or slow to respond to their training needs. And these have been in situations where there would seem to be no significant financial or administrative impediment.

The implementation of user choice in New Apprenticeships now shifts the balance in favour of a right of employers and their apprentices or trainees to negotiate choices (within an established financial and regulatory framework). The 'right' would be encompassed in the training program outline attached to the training agreement.

2 An employer wants 'extras'. Are they available under user choice?

Some employers seek, and training providers offer, training and related services in addition to those regarded as essential to the achievement of a particular qualification. These services may include: assistance with selection of apprentices and the handling of associated paperwork.

- It is recognised that employers in particular instances may prefer to pay for these 'extras' rather than do without.
- MINCO has agreed that clients may negotiate to purchase either services, but they will not be publicly funded.
- The user choice pilot project indicated that the ability of providers to offer a range of training services as an integrated package can convey a competitive edge to providers in a wide range of circumstances.

3 What if the trainee or apprentice is not treated fairly?

Concern has been expressed that, even though the employer and apprentice or trainee both sign the training program outline, the young employee is not in an equal position in the negotiations. The difficult job market and the fact that younger employees especially may not have sufficient information or experience on which to base their choices (at least before they start their training) are seen as contributing factors.

ANTA ministers have recognised these concerns. It is expected that training authorities and providers will review, adjust, or reform their advice, support and disputes settlement arrangements as appropriate given the new arrangements to meet these concerns.

It is noted that there is widespread agreement that problems arise only in a minority of cases, although they are important in the specific circumstances.

The user choice pilot projects

The pilot projects

Fifty-four pilot projects were approved for funding under the 1996 User Choice National Project. Forty-three were for apprenticeships and traineeships. Ten pilot projects were based in ATSI communities. There was also one larger 'national companies' project, the Pharmacy Guild of Australia's traineeship for Pharmacy Assistants by External Study provided nationally for co-ordination at the Guild branch level.

Apprenticeship and traineeship pilots

Included among the pilots where there was a contract of training were the following:

- Delivery of a traineeship in food processing (viticulture), by the Murrumbidgee Agricultural College at Yanco to meet the needs of a number of mainly smaller vineyards where there has been no prior formal training experience. The industry-specific modules were delivered at the workplace by workplace personnel whom the college was training as trainers and assessors. The college provided trainers for the core modules. The employers were co-ordinated by the Riverina Group Training Company.
- A case where a stainless steel fabricator servicing the needs of the internationally competitive food processing industry in central Victoria had moved their apprentices from one TAFE institute to another 'because of the expertise and resources available in stainless steel fabrication'. The chosen provider has 'the capacity and expertise t customise the program to meet the specific needs' of the company.
- Another case where employers of automotive engine reconditioning apprentices in the ACT previously had sent their apprentices to Sydney to undertake off-the-job training, although the employers were unhappy with this arrangement, and it acted as a major disincentive to their employing more apprentices. Employers proposed that the training be done in the ACT and be managed by Regional Group Training. Innovative arrangements, including the sharing of resources and training facilities, are part of the on-the-job training component.
- A training course delivered to persons with special needs in their work environment in Albany, Western Australia. On- and off-the-job training were combined within the workplace, with the content of the course being directly related to the work being undertaken. 'The proposal . . . not only provide(d) information on the process of user choice as it relates to access but . . . provide(d) a unique opportunity to deliver meaningful training to a disadvantaged group of students.'

Aboriginal and Torres Strait Islander initiatives

There were a diverse range of ATSI initiatives. They included:

- Support for a Certificate in Koorie Education, Training and Employment National Skills modules. The Koorie Programs Unit of the Kangan Institute of TAFE in the western suburbs of Melbourne was nominated by Enmaraleek Association to provide customised training for ten of their employees, the training for the students being determined in consultation with the Enmaraleek Association in areas deemed important to the daily operations of the association.
- A case where Aboriginal students in Northam, east of Perth, requested access to an accredited competency-based training program written for Aboriginal people who work in schools, currently provided only through Pundulmurra College at South Hedland in the State's north west. The students involved chose the local TAFE college as provider in preference to Pundulmurra College because of the advantages of face-to-face delivery over distance learning arrangements and their family and cultural needs.
- The provision of a course in wild crocodile harvesting and egg/hatching care. Because saltwater crocodile breeding in captivity has limited success, the expansion of the industry is reliant on wild egg collection and supply of hatchlings from those eggs. Aboriginal communities are well placed to play a major role in this process. Harvesting crocodiles using a combination of traditional and modern methods has the potential to provide both efficient management of the natural resource as well as a source of employment and income.

  The Bawinanga Aboriginal Corporation at Maningrida has reached agreement with a registered private provider to deliver selected modules from the Certificate in Crocodile Conservation, Management and Husbandry and the Certificate in Commercial Fishing (Deck hand) to 20 people.

Pilots were conducted in all States and Territories. They varied significantly in size, judged by the amount of user choice pilot project funding they received. Of course, this funding did not necessarily provide a guide to the total level of resources devoted to any given pilot project. Profile funding and the resources provided by enterprises (often considerable) also need to be taken into account.

Their diversity

The pilot projects illustrate the great diversity of training arrangements in which employers, apprentices and trainees, community groups and providers participate. The pilots varied by *type of training* offered (for example, in viticulture, stainless steel fabrication, hospitality), and the *particular situation and circumstances of the employers and communities* (in large and small enterprises; in a wide range of industries; in city, rural and remote locations).

The pilots were also varied in terms of those who actually undertook the *negotiations* at the local level:

- some were direct, that is, between an employer (and the apprentice or trainee) and a provider
- others are facilitated by intermediaries, or 'brokers', who acted to bring providers and clients, and employers and trainees, together resulting in training which might not otherwise have taken place. The intermediaries included group training companies, industry training and skills centres, government agencies, industry associations, ITABs and Nettforce organisations

Brokers

The distinguishing feature of a broker is the role they play in facilitating exchange, in this case causing training to happen. They are able to arrange exchanges because they can do it more efficiently and effectively than, say, smaller firms and individuals. Smaller firms may find the 'cost' of selecting a trainee appropriate to their needs and organising and negotiating appropriate training arrangements too high. Young people, particularly those who are unemployed, can find the 'costs' of job search, let alone finding an employer who will offer them training, daunting and demoralising. Larger enterprises also use 'brokers' as they move increasingly to the outsourcing of support services.

The various parties also *combined roles*. Among the pilot projects there are cases where:

- the enterprise was also the registered provider
- employers effectively combined to establish their own industry training centre
- groups playing a brokering role also acted as providers including group training companies
- employers delivered some components of the off-the-job training, whilst other components were delivered by training providers

The pilot project evaluation[3]

The evaluation of the 1996 user choice pilot projects was undertaken when the pilot projects were completed in late 1996 and early 1997. The evaluation was based on information gained from a survey of employers and community groups associated with the pilot projects and detailed study of ten selected pilots, supplemented by visits to a number of other pilots and widespread consultation. The evaluation also drew on the results of a survey of employers undertaken at the commencement of the pilots (in mid-1996).

Five main findings

Five main findings emerged from the evaluation.

First, employers and community groups involved with the pilot projects were strongly committed to user choice. Those who had already been involved in training preferred the user choice approach. Having a greater say made them more active participants in training.

> *I have been very pleased, very impressed and have five students who want to go on it next year already.*

In addition, participation in the pilots brought many employers and community groups into, or back into, the formal training system. Indeed, there were a number of enterprises who, prior to user choice funding, had been so dissatisfied with their public training provider that they had been prepared to bear the full cost of training themselves, rather than continue with unsatisfactory arrangements.

> *They've stopped dictating. [Dictating] . . . that's why everyone stopped using them.*

Secondly, as with so many businesses, enterprises involved in the pilots were facing an increasingly competitive commercial environment. Many view training and other forms of learning as elements in their business strategy. User choice is valued by these enterprises as it allows them to exercise greater flexibility when integrating training activities with their business objectives overall.

If we don't train today, we die tomorrow.

The training [introduced under user choice] suits our needs better; it is specific training for our needs and it is better suited to the organisation of our work.

Employers commented that industrial awards and conditions constrain the public training systems' capacity to respond quickly and flexibly to enterprise needs (in some States more than others).

Thirdly, some enterprises and organisations involved in the pilot projects operate on a national basis, 'think' nationally and often internationally, and want to source their training nationally, particularly where specialist training is required and there are few alternative providers. They expressed frustration at demands that they get their training from within an individual State or Territory. This demand has the capacity to adversely affect their competitiveness. From the perspective of overall national competitiveness this matter is a problem especially for enterprises and training providers operating in the larger States.

We [also] use a TAFE in another State. They are far more responsive.

Another important finding is that user choice would seem to be very applicable to small business where training opportunities previously have been seen as limited. Provider responses in a more competitive environment have been tailored better to the needs of small business; and pro-active measures to enlist small businesses met with a good response in some settings.

Finally, the pilots indicated that user choice has the potential to improve access and equity by encouraging greater responsiveness by training providers to the particular needs of groups and individuals. These include those groups recognised as disadvantaged in the VET system and others who may not be so widely recognised as disadvantaged in terms of their ability to access training, for example, rural workers, workers faced with a high degree of mobility and young women in small country towns. User choice facilitated the development of a more positive and supportive environment, in which these people had more opportunities to express their needs and could have greater confidence that these might be met. Given that user choice is seen as being enterprise driven, this finding was welcome. Other findings related to access and equity issues are given later in this section.

Findings about training outcomes

Training outcomes associated with the user choice pilots were much richer than anticipated, even allowing for the short duration of most pilots.

Participation in the pilots enabled improved workplace skills to be achieved in many enterprises. Benefits accrued to both employers and trainees. Improved employment skills were achieved in three main ways:

- Trainees' obtained training in new programs facilitated by the user choice pilots in areas where accredited training had not previously existed.
- Existing accredited training programs were made more relevant in the estimation of both enterprises and trainees.
- Some trainees obtained, under user choice, access to existing accredited training which previously was not available to them.

An increase in their self-confidence and esteem was an important outcome for many trainees. The client focus affirmed the value and importance of their particular needs and empowered them to express and assert these needs in the expectation of a positive response from providers.

[They are] most definitely [doing a better job]. It's given them confidence; they are showing a great deal more interest in work; they'll soon be in a position to tread on the toes of more senior staff.

Since I've started this course, I have noticed other things both at work and in general life.

[Trainee]

Employers who have had little or no prior experience with training, in a number of instances appreciated for the first time the value of training for their business; become advocates of training among their peers; and provided opportunities for training to other, non-entry-level employees. These employers became pro-active participants in the VET system.

A number of employers and supervisors, particularly those who were participating in workplace trainer/assessor courses or were responsible for the delivery of certain modules on the job, were also 'learning'. They were aware that they, as well as their trainees, were benefitting from involvement in the training.

I'm learning a lot more about OH&S, hygiene [viticulture] pruning. I've asked the college to send me some books about this because I've become very interested . . . the fellow next door was pretty sceptical [when I started] but now he wants to be involved.

Some enterprises are evaluating their existing on-the-job training arrangements in the light of these experiences.

Participation in the pilots provided opportunities for professional development and learning for the staff of the providers involved and gave them considerable personal satisfaction. The trainers associated with the user choice pilots welcomed the opportunity to be involved with the pilots, to get out into industry and to work with employers to achieve mutually satisfactory outcomes.

I'm quite enthused for user choice . . . it's real-world stuff. It's vibrant and exciting . . . Of course it's critical to have key staff who share the vision and have capacity . . . [The project] has opened our eyes to workplace training and workplace assessment and what we can contribute. [Trainer]

Such staff are valued by employers and their employees.

Great people [at the college]; . . . a great scheme, a great scheme.

Findings about aspects of the training process

The total resources employed in delivering training associated with the pilot projects have, in a number of cases, significantly exceeded the pilot project funding and the funding received through the State training profiles. Some employers made very large financial commitments to training. Even in cases where employers initially had gone into traineeships to ease their labour costs, there were instances of a significant time commitment by them to securing a 'good' training experience for their trainees. Some ATSI communities also contributed to training from their community funds.

The company's input has been essential: time, money and commitment.

[Training authority regional office]

The main cost was time but the time we spent on it was an investment not a cost.

[ATSI community leader]

Employers described training effectively as having a number of elements in addition to the delivery of the accredited curriculum. These elements include: the provider; the timing and location of delivery; the integration of on- and off-the-job training; feedback on trainees' performance; assistance with selection of trainees; and assistance with paperwork. Employers and communities want very different combinations of attributes: no 'one size fits all'.

The importance of selecting the 'right' trainees and apprentices was stressed by many employers. A number of employers have sought 'expert' advice from outside their enterprise to assist in trainee selection, notably from group training companies. Nevertheless, the employers saw themselves as ultimately responsible for the selection (and other aspects of training).

> *I seek out potential apprentices, see they meet their aptitude test and help arrange their interviews, but the final choice is left to the employers, three of six applicants perhaps.*
>
> [Group training company]

> *It's very important we get the right people for the job.*

Other specific features identified in the pilots which bear favourably on training outcomes in particular circumstances include:

- opportunities for the better integration of on- and off-the-job training which can provide a better learning environment for many trainees
- the scope to vary the time taken to complete a training program is valued both by employers and employees. The opportunity in a number of pilots to shorten apprenticeship training, and undertake more challenging and productive work earlier, was appreciated by both employers and employees
- off-site training for trainees in the company of trainees from other enterprises has been argued by some employers to provide a better training experience than when all training is done on site
- flexibility in the commencement date for new trainees
- when training is being delivered on site by distance mode or by workplace trainers, the training experience is improved where external support is provided through regular visits and other forms of contact with employees and employers

> *Getting together with other trainees was very helpful, otherwise isolation can be a problem.*
>
> [Trainee]

Findings on the ease of negotiating and administering training arrangements

Experience from the pilot projects confirms that the negotiation of specific aspects of training can usually be undertaken satisfactorily from the perspective of employers provided the overall relationship between the enterprise and the training provider is good. However, if the relationship is poor then the same choices in relation to specific elements often are less satisfactorily resolved or are not satisfactorily resolved at all. This is an important finding.

In many of the user choice pilots a crucial role has been played by an individual or small group, whether in the enterprise, group training company or the training provider: in conceiving the user choice pilot; in its establishment; in ensuring that the various parties contribute to successful outcomes; and in sustaining the project when specific difficulties arise. The challenge is how to recognise, sustain and support such people; and how to capitalise on these role models in other training situations through appropriate incentives.

> *There is a general climate of supporting innovation [in our college]. They reward the sections which are most active, with better equipment or a bit here and there.* [TAFE trainer]

> *I will bend the rules a bit, but I'm pretty circumscribed.* [TAFE trainer]

Relatedly, the conduct of the pilot projects at the local level typically involved a number of parties, including: employers; providers, whether public or private; trainees; group training companies or other intermediaries; State or Territory training authorities and their regional offices; DEETYA and the local CES or Centrelink. Problems can arise if any one of these

parties does not play his or her part adequately. This suggests there is an important co-ordination role which may need explicit consideration at the local level, especially with the increasing emphasis in workplace off-the-job training and the development of creative approaches to training, more generally. Both employers and providers commented on the importance of co-ordination.

There were cases among the pilots where the employer had used the same provider for the same type of training prior to the user choice initiative and where the exercise of user choice has led to improved relationships. The employers were empowered to ask; and the trainers felt empowered to respond better to meet the training needs of enterprises.

> *We worked alongside TAFE to get the course up. The TAFE people were good. They have never negotiated with us before, but now they do.*

Numbers of those involved with the user choice pilot project complained about the volume of paperwork. It would seem to employers that VET administrators give more attention to their own management needs than to the needs of their clients. Many clients do not differentiate between levels of government and regard the paper workload imposed by government as excessive: VET requirements just add to this overload. The volume of paperwork poses a particular difficulty for small firms but is not confined to them.

Employers associated with some of the pilots were outsourcing aspects of their training including: selection of trainees; negotiation of training delivery; undertaking the requisite paperwork; and monitoring of trainee performance. This outsourcing has occurred even where the employer has maintained a strong interest in their trainees and the training they have received, and is seen as consistent with it. Some employers commented there was scope for TAFE to expand its activities in these areas to get a competitive edge.

> *We want to get an external provider for our training: training and everything associated with training.*

Certain administrative matters that may appear relatively insignificant nevertheless were important in individual cases to enterprises, trainees and providers. Late payment of travel allowances; late arrival of the logbooks for recording training; late arrival of course materials; and timetabling of hours, even within the same day; and lack of feedback on employees' performance can influence outcomes in specific instances.

> *It upset me more than anything else [the travel payments]. What they presented wasn't delivered.*
>
> *Where is the travelling allowance? It's costing me a bloody fortune!*
>
> *My daughter had to withdraw. We weren't told she had to be out of work for six weeks before commencement. She was out of work for five. They did offer her a course at the college—she was being trained by distance—but that was money. She's a good kid. She's got a job now sweeping the floors at the silo.*

Group training

Group training companies (GTCs) were involved in a number of pilots and played a number of roles. They brought together trainees and host employers, thereby creating training opportunities that would not otherwise have existed. They acted as training providers in situations where employers had been unhappy with the existing training provision. Many offer additional training services—a broader range of services than TAFE traditionally has provided. These additional services are valued by employers.

The situation where the GTC acts both as employer and provider provoked comment particularly among other providers. Responses from the employers indicated that as providers the GTCs were meeting a demand in a way which better met their needs, than the alternatives available to them.

In one case, prior to the user choice pilot, the trainees had to travel interstate to obtain training, which was costly both to the employees and enterprises. The employers had approached the GTC to provide training locally. They offered access to their specialist equipment and allowed trainees from other businesses to be rotated through the workshop.

The GTCs were also meeting a need in the training market for a wider range of training-related services than the public training institutions normally offered. There is a demand from enterprises for training services in addition to the delivery of curricula.

> *I have had apprentices since 1969 . . . I have less hassle over paperwork with the user choice pilot . . . I am also getting better quality apprentices; screening prior to selection by the [GTC] takes a load off my company . . . the quality of training is better . . . I did not get enough feedback from TAFE . . . the [GTC] gives me a better evaluation of the apprentices' progress which I did not have the time to do . . . We now refer enquiries about apprenticeships directly to the [GTC].*
>
> *I like to offer industry a package: a one-stop shop.* [Group training company]
>
> *The group training guy did all the wheeling and dealing. He handled it well. I speak well of him; getting away from the old system and the bureaucracy.*

Access and equity

When user choice was first mooted there were concerns that this enterprise-focussed initiative might undermine VET's focus on access and equity. In fact, the pilots showed that user choice can be used to improve access and equity for ATSI communities and other groups, and for individuals facing access problems.

Many of the projects provided positive, or second chance, training opportunities for trainees with limited or poor previous education or training experience and, in some cases, for trainees who would otherwise have been unlikely to gain access to publicly funded training. The user choice pilot project provided improved training opportunities for indigenous people, prisoners, the disabled and people in rural and remote areas.

> *People don't realise what a big difference [training] can make to an individual's life out here.*
> [Trainer]
>
> *He just turned up here one day on a bike looking for work. He's a good worker and we got him onto this [traineeship] . . .*
>
> *. . . Yeah, the training is going well.* [Trainee]

Attention to customisation can be important for meeting the needs of particular groups. Customisation of all aspects of a program to produce culturally relevant and appropriate training is particularly important to, and increases the effectiveness of learning by Aboriginal students, it was important to Aboriginal groups that *the course [be] framed around Aboriginal people*. However, where students seek mainstream outcomes, notably the recognition of their skills in the broader community, the achievement of a balance between customisation and 'over-customisation' is also important.

> *We can change the system for our people.* [Trainee]

A unique combination of characteristics in remote Aboriginal communities has a profound influence on the nature of training appropriate to their needs, and on the delivery of appropriate training there. These characteristics include: Aboriginality; limited educational opportunities and experiences leading to a very diverse range of literacy, numeracy and other skills among community members; limited employment opportunities leading to a focus on non-employment, self-employment or entrepreneurial outcomes of training; few resources and facilities together with poor access to the resources and facilities of other communities;

and health problems. Whilst user choice contributes to improved training outcomes it is not sufficient in these circumstances: more needs to be done.

There are also a constellation of factors which generate significant cumulative disadvantage for employers and trainees in some sectors of the rural industry. These include the economic difficulties facing many of these industries; lack of facilities in small rural towns; long distances and poor public transport; poor literacy and numeracy skills; lack of confidence in dealing with non-familiar training environments; and the cutback of funding for many small community-based organisations who understand the special needs of young people in the country. These factors together limit rural participation in the training system, and limit effective learning even if they do participate.

Also, more general factors which apply in both the city and the country may have more serious adverse consequences in rural areas because they add to other disadvantages there. The inflexibility of public provision is one such example.

> *It is very important to give confidence to kids in the bush. They are caught—Mum and Dad always struggling—they've lost a lot of confidence. [This course] has given him a real boost, picked him up.*
> [Parent of trainee]

> *Unemployment is high around here and the training has provided me with an opportunity that I probably would not have had.* [Trainee in small country town]

Both employers, parents and other community groups argued that the special circumstances and needs of young people in the rural areas are not widely appreciated.

A final access issue for many involved in the pilot projects was literacy and numeracy. Literacy and numeracy difficulties limited the ability of many to benefit from training. These problems are not confined to those who are regarded as being in 'second chance' situations. Concerns for literacy and numeracy and language was a theme common to a number of pilots.

> *Bill dropped out. Both he and his employer had literacy problems (so couldn't handle the distance materials).* [Group employer]

The final evaluation report of the 1996 user choice pilot project is available from the ANTA office in Brisbane.

Endnotes

1 New Apprenticeships incorporates user choice in all States except, formally, in New South Wales.

2 MINCO members are Commonwealth, State and Territory ministers having responsibility for VET in their respective jurisdictions.

3 The quotations given in italics are taken from interviews with employers unless otherwise specified.

4 The term 'trainee' is used here to refer both to trainees and apprentices.

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